Changes in exploration policy

2224. SHRI RAASHID ALVI:
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are planning changes in policy for award of exploration acreage for oil companies with a view to expediting exploitation of reserves and attracting foreign firms with latest technology;

(b) if so, whether separate categorization of blocks based on risk involved is needed;

(c) whether Government would launch sixth round of bidding for oil and gas blocks by year end;

(d) if so, to what extent changes that have been considered will be undertaken soon; and

(e) to what extend these new changes will help in exploration?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) The Ministry held a meeting of stakeholders at a CEOs conclave under the auspices of Petrofed on 7.7.2005, where the issue of modifying NELP after comparing the position in other countries was discussed. The Ministry asked Petrofed to undertake a study on suggested improvements to be effected in NELP after taking the views of industry members. Petrofed has submitted its report. Consultations have been held on the suggestions contained in report of Petrofed with stakeholders. The suggestions include categorization of blocks under the sixth round of the New Exploration Licensing Policy (NELP-VI) based on the risk-reward perception of the blocks. The objective of the Government is to encourage companies to participate in the bidding rounds announced by the Government from time to time and bring investment and state-of-art technologies and new geological ideas. The Government targets to launch NELP-VI during the first quarter of 2006. The suggestions will be appropriately incorporated in the bid documents for NELP-VI.